

Testimony by Channing F. Hayden, Jr., President of the Steamship Association of Louisiana,  
on Seaport Security before the Surface Transportation and Merchant Marine Subcommittee  
of the Senate Committee on Commerce, Science and Transportation

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New Orleans, Louisiana

**Coordination of Federal, State and Local Law Enforcement to Provide Seaport Security  
and  
Pilotage Issues**

Good afternoon, Mr. Chairman.

My name is Channing Hayden. I am president of the Steamship Association of Louisiana. Our organization represents steamship agents, owners and operators in all of Louisiana's major deep-draft ports. We appreciate the opportunity to appear before the Subcommittee on the matter of seaport security, an issue of national significance and concern. As this Hearing focuses on the coordination of federal, state and local law enforcement in providing seaport security, my testimony covers the following points:

Everyone Must Talk the Same Language  
Expand the Coordination Loop  
Rely on People, Not Paperwork  
Focus on Imports

**Everyone Must Talk the Same Language**

While this point is elementary, it is too important to overlook. It cannot be stressed enough that effective law enforcement coordination means that all communications equipment, radios and the frequencies on which they operate, computers, programs, databases, etc., both government and commercial, must speak the same language – that is be able to communicate with each other. Many think that in this age of electronic wizardry, we have seamless communications. Usually, that is only true if everyone uses the same equipment, which does not often happen. For effective coordination, the federal government must set standards to insure seamless communications.

This requirement applies to law enforcement's commercial partners as well. Commercial systems

and law enforcement systems must be able to communicate with each other. The basic information on which seaport security depends comes from law enforcement's commercial partners. Thus, it is vital that law enforcement and commercial equipment, programs, etc., talk the same language.

Not only must basic communications be possible, it must be efficient. Suppliers of information (commercial operators) should only be required to submit data once, to a central submission site, on a standard submission form, and should be usable for both security and commercial purposes. For example, if steamship agents report vessel arrivals, everyone who needs vessel arrival information, including, for example, port authorities, should have access to the data and should be required to obtain the information from the central source. The same is true with freight forwarders providing information on shippers, receivers and cargo.

Whenever possible, current reporting procedures should be used. These are tested and refined procedures that have been in place, in some cases, for years. A good example is the Coast Guard changing its 24-hour Notice of Arrival requirement to 96 hours. The system was in place; and everyone involved knew what to do because they had been doing it for years. So, with a little tweaking, a new reporting system was implemented almost without a hitch.

For effective coordination, we must insure that breakdowns in communications are held to a minimum. To do so, we must require the electronic submission of data to be verifiable. Why? Because, inevitably, there will be disputes over electronic data submission. Agencies will fine those accused of not submitting timely information. There must be a way to prove that the data was timely submitted. We need the e-equivalent of a fax confirmation for all electronic data input.

Finally, when legislation passes or regulations issue, federal, state and local law enforcement coordination should aim for a McDonald's-like consistency in interpretation and enforcement throughout the country. The only differences allowed should be those that account for differences in the commercial or physical situation of a given port. This approach allows law enforcement's commercial partners, some of whom are regional or national organizations, to put company-wide procedures in place that make their internal processes efficient while supporting the security effort. This does not happen now. As noted above, the change to a 96- hour vessel Notice of Arrival went smoothly. However, I have received reports from members that the procedures and requirements placed on vessels based on this information varies from port to port depending on local interpretation of the national regulations.

### **Expand the Coordination Loop**

We respectfully suggest that coordination should be expanded to include law enforcement's commercial partners in seaport security. The following groups must defiantly be included in the coordination effort.

1. Port Authorities
2. Freight Forwarders
3. Carriers
4. Steamship Agents
5. Terminal Operators
6. Pilots
7. Trade Associations representing these groups, such as AAPA, etc.

8. Other commercial interests, such as trucking, railroad, barges, etc.
9. Other government agencies, such as FMC, MARAD, etc.

These groups will provide some of the basic intelligence on which law enforcement will rely. They will also provide practical answers to seaport security issues in ways that minimally impact the import and export of cargo. For example, some are suggesting the elimination of "in bond" movements of cargo from port of entry to inland points. Any freight forwarder or carrier will immediately explain how eliminating "in bond" cargo movements will quickly and completely congest our seaports. Keeping commercial entities in the coordination loop minimizes the corrections that will inevitably be required if their expertise is not considered in the initial decision-making process.

Because of the important role the commercial infrastructure will play in the security effort, it must be kept in place. In doing so, legislators and regulators must provide for steamship agents, freight forwarders, port authorities and other commercial partners to offset their legitimate, increased security costs. In that regard, at a minimum, there should be no unfunded mandates placed on state, local or commercial interests by legislation or regulation.

Further, no legislation or regulation should make commercial operators the first line of defense against terrorism. These entities do not have the expertise or training to do so. However, as vessel pilots act as eyes and ears of law enforcement on foreign vessels in U.S. ports, steamship agents, freight forwarders, terminal operators, etc., should be considered law enforcement's eyes and ears to monitor the import/export system. Legislators and regulators may consider improving the quality of commercial operators by verifying their credentials and requiring individual licenses, bonds or both.

### **Rely on People, not Paperwork**

Increased security will only be achieved through devoting sufficient federal, state and local government and commercial personnel to the effort, not through information gathering and reporting. In the past, Congress has given law enforcement agencies more work to do, but less people and resources with which to do it. As a result, the agencies have shifted more of their responsibilities on to their commercial partners. For example, the lack of Customs' personnel has forced Customs to require that steamship agents keep the import documentation that Customs kept in the past. Now Customs randomly audits and fines steamship agent for not maintaining this documentation properly. This is certainly not the type of process that will provide increased seaport security.

In addition, the "do more with less" mentality has forced agencies to make their operations more efficient at the expense of commercial operations. For example, the lack of manpower and equipment has caused container inspections to be moved from the wharf to centralized locations, a more expensive system for shippers. We must reverse the trend of expecting our first line security team, our law enforcement agencies, to do more with less. We must stop disassembling our law enforcement agencies such as the Coast Guard, Customs, etc. We must take a system-wide view, making sure the entire process is efficient, not just one agency's part of it. The personnel strength of federal, state and local law enforcement must be increased through increased funding. It is this view that causes members of our industry who have reviewed *S. 1214* to believe it is not adequately funded, and some would say woefully so.

We cannot rely on electronic data transfer and risk analysis to provide seaport security. In some cases, for example manifests, electronic data transfer capabilities do not exist. We can only achieve effective seaport security if enough people are devoted to it. Let me quickly add that the Coast Guard,

Customs and other agencies are doing their very best with the people and funds they have available. They could do more, much more, if given the resources needed to do the job right. My worst fear as a U.S. citizen is that our country's leadership will lose its security focus as time heals the grievous wounds of the September 11 attacks and return to our normal political bickering. We cannot be as half-hearted, uncommitted or underfunded in seaport security, or any homeland security issue, as we have been with drug interdiction. As I understand the statistics, we stop approximately 5 percent of the illegal drugs entering the United States. We must do a much better job against terrorism.

### **Focus on Imports**

Preventing the export of material or technology that defeats our security efforts is important. However, many in our industry believe that the initial focus should be on the coordination of law enforcement's efforts to prevent or eliminate the security threats of import cargo. Specifics in this regard should come from steamship agents, freight forwarders, carriers and other entities intimately involved with the import/export process. Of course, this information should be gathered on a confidential basis.

While I have been less than complimentary to the U.S. drug interdiction efforts, one area of the program has worked well. The "Super Carrier" initiative provides incentives for vessel owners and operators to have active programs that discourage drug smuggling aboard their vessels. There are those in our industry who believe a similar program that discourages the use of vessels or their cargoes as terrorist weapons should be put in place. A "Super Port" program, similar to the "Super Carrier" program, for foreign ports that fosters U.S. security interests should also be considered.

Attached is an article, written by Mr. Theodore Prince, from the January *American Shipper* magazine. The article discusses seaport security issues and may be of interest to this Subcommittee. Mr. Chairman, that concludes my testimony. I will be happy to answer any questions.

Attachment